

RAILWAY EQUIPMENT ASSOCIATES

3310 WOODCREST DRIVE, BETTENDORF, IOWA 52722, TELEPHONE: AREA CODE 319 332-9333

18 January 1987

RECORDATION NO. 1 5164 Filed & Recorded

Interstate Commerce Commission
12th and Constitution Avenue
Washington, D.C. 20423

FEB 4 1987 10-35 AM

INTERSTATE COMMERCE COMMISSION

Date

Time

100 Washington, D.C.

2/4/87
10:00

Attention: Mildred Lee, Room 2303

Dear Ms. Lee

Enclosed please find one original and copy of a lease Agreement which we request that you file and record with the Interstate Commerce Commission.

PARTIES

Lessor:

Railway Equipment Associates
3310 Woodcrest Drive
Bettendorf, Iowa 5272

Lessee:

Wisconsin & Calumet Railroad Company
2728 East 104th Street
Chicago, Illinois 30317-5766

We are enclosing our check in the amount of \$10.00 payable to the Interstate Commerce Commission to cover the fee for filing and recording.

Kindly return a filed copy of the leases and receipt for filing fees to us at your earliest convenience.

Sincerely,



John M. Gallagher

Interstate Commerce Commission
Washington, D.C. 20423

675781

OFFICE OF THE SECRETARY

JOHN M. GALLAGHER
RAILWAY EQUIPMENT ASSOCIATES
3310 WOODCREST DRIVE
BETTENDORF, IOWA 52722

Dear SIR:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on *2/4/87* at 10:35am, and assigned re-
recording number(s). 15164

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

1 5164
RECORDATION NO. _____

FEB 4 1987 10:35 AM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, made and entered into this 1st day of October 1986, by and between RAILWAY EQUIPMENT ASSOCIATES, 3310 Woodcrest Drive, Bettendorf, Iowa 52722, part of the first part (hereinafter called the "Lessor"), and WISCONSIN & CALUMET RAILROAD COMPANY, INC. 2728 East 104th Street, Chicago, Illinois, 30317-5766 party of the second part (hereinafter called the "Lessee")

WITNESSETH:

WHEREAS, the Lessee desires to lease locomotive Unit Road Number 901, an EMD F7A for use on its' property and

WHEREAS, the Lessor is willing to lease locomotive Unit Road Number 901, an F7A to the Lessee for such service subject to the terms and conditions hereinafter contained.

NOW, THEREFORE, in consideration of the payments and agreements hereinafter mentioned to be made and fulfilled by the lessee, the Lessor hereby agrees to furnish and lease to Lessee Locomotive Unit Road Number 901 for the use on its' property.

1. LEASE. The lessee accepts such lease and agreement and binds itself to faithfully perform the covenants and the conditions hereof.
2. DELIVERY. Said locomotive, before delivery, shall be inspected by the lessor and lessee and statement made jointly signed as to its condition with exceptions, if any, taken thereto. If any supplies shall be furnished with said locomotive, a memorandum thereof shall be made and signed by proper representatives of the parties hereto and attached to this contract, and such supplies or their equivalent in kind, or their value in money, shall be returned or paid to the Lessor by the Lessee when said locomotive is returned to Lessor.
3. ACCEPTANCE. Said locomotive shall be accepted on the tracks at Janesville, Wisconsin and shall be returned by the Lessee to Janesville, Wisconsin upon termination of this agreement. Any reasonable and normal expense incurred by the Lessor in delivering said locomotive to the Lessee shall be paid by the Lessee.
4. PAYMENTS. Commencing with the date when said locomotive arrives Lessees tracks to be delivered to the Lessee, the Lessee agrees to pay to the Lessor for the use of said locomotive the rate of \$75.00 per day for each day used by the Wisconsin & Calumet Railroad Company, Inc., with a maximum per month of \$1,500 per month, rental payments shall be two (2) months in advance, with third (3rd) rental payment due at beginning of second (2nd) month of rental, with payments made promptly at the beginning of each calendar month or upon receipt of bills thereof.

Lessee and Lessor agree that each will pay any and all charges promptly and any overdue charges will incur an interest of 1-1/2% per month on the overdue balance

The minimum charge per month shall be \$500.00 per month. In consideration of the minimum charge per month, Railway Equipment Associates will have the use and storage for inventory of the Janesville, Wisconsin Roundhouse. That use and storage is defined as storage of one locomotive inside of the Roundhouse and storage of four addition locomotives outside. It shall include the area commonly known as "the cage" where parts and inventory are stored. Railway Equipment Associates will pay \$500.00 per month for said facility rental. Facility rental shall be off set by the minimum billing of the locomotive.

5. MAINTENANCE. The Lessee agrees to keep and maintain said locomotive in good and proper repaired condition, at its' own cost and expense, and said locomotive shall be returned upon the termination of this agreement to Lessor in as good condition as when received, ordinary wear and tear excepted. The Lessee agrees to maintain the locomotive in compliance with all Federal Railroad Administration and Wisconsin Department of Transportation requirements.

6. INSPECTION. The Lessor or its' authorized representative shall have the right at all times to inspect said locomotive and shall be given convenient access to the same by the Lessee in order that the Lessor may assure itself that said locomotive is being maintained and kept in a satisfactory manner. If said locomotive or locomotives shall be destroyed or damaged to such an extent that in the judgement of the Lessor, it cannot be repaired and put in a serviceable condition, the Lessee hereby agrees to pay to the Lessor, a fair market value of \$85,000.00 for said locomotive, and ownership of locomotive shall be *per the lease.*

7. DEFAULTS. If the Lessee shall make default in any of the payments herein agreed to be made by it, or in any of the obligations or agreements to be made or fulfilled by it as herein provided, or if in the judgement of the Lessor may at once take possession of said locomotive and thereupon the agreement shall cease and terminate, but such termination shall not affect the payment of any sums which may be due or become due hereunder from the Lessee to the Lessor.

8. TAXES. The Lessee, shall, in addition to the rental agreement provided above, also pay all state, local, sales, use and occupation taxes applicable to the rental of the locomotive as herein provided and it is understood and agreed that the same may be invoiced by the Lessor to the Lessee along with the regular daily rental as herein above provided.

9. INSURANCES. Lessee will protect, indemnify, hold and save harmless the Lessor from and against all claims, demands, damages, suits, losses, costs, attorney fees, liability awards, judgements and expenses of whatever nature or loss or damage to property or injury or death to persons resulting in any manner directly or/indirectly from use or operation of the locomotive covered by this lease.

10. SUBLET. Lessee shall not sublet or loan the locomotive without prior express written consent of Lessor, not to be unreasonably withheld.

11. RECORDS. Lessee shall maintain a record as required by Lessor of all maintenance performed by it on the locomotive and shall submit such record for examination and reproduction by Lessor.

12. TERM. This agreement shall remain in full force and effect for a period of One year starting ~~01 October 1988~~ *April 87*

13. ALTERATIONS. Without the prior written consent of Lessor, Lessee shall not make any alternations, additions or improvements to the equipment. Any permitted alterations, additions or improvements may, at Lessee's option, be removed by Lessee upon the expiration or earlier termination of this Lease if and only if such removal may be accomplished without damage to the equipment or otherwise reducing its value below that which it would have been in the event no such alterations, additions or improvements had been made.

14. OPERATION. (a) At its own expense, the Lessee shall provide fully trained and competent operators to operate the equipment during the Lease term.

(b) The Lessee warrants that the equipment shall be operated in a good and efficient manner at all times. If at any time the Lessor, in its sole discretion, concludes that the Lessee is failing to operate the equipment in a good and efficient manner, it may so notify the Lessee in writing, stating the facts of such failure. Lessor agrees that it will not act unreasonably in exercising the discretion provided for in the preceding sentence. If such failure is not corrected within 5 days after the receipt of such notice, the Lessor shall have the right to declare the Lessee in default, terminate the Lease and pursue any and all remedies specified herein, or by operation of law, with respect to default or termination of the Lease.

15. COSTS. Lessee shall pay all expenses incurred directly with its use and operation of the locomotive, without recourse to or compensation from Lessor, including, but not limited to, the following:

(a) All costs and expenses incurred in removing, moving, storing and returning the Locomotive to and from the location specified above for the delivery by the Lessor.

(b) Cost of fuel, sand, and lubricating oils

IN WITNESS WHEREOF, the parties hereto have executed this agreement in duplicate the day and year shown.

WISCONSIN & CALUMET RAILROAD COMPANY, INCORPORATED

BY: 

DATE 1/10/87

WITNESS:

BY: 

FOR LESSOR, RAILWAY EQUIPMENT ASSOCIATES:

BY: 

DATE 1-14-87

WITNESS
BY: 

14 Jan 87